

### ***-Medicare Premium Fairness Act Passes the House of Representatives-***

*Washington, D.C.* – U.S. Representative John Hall (D-Dover) today voted to protect seniors from unfair increases in their 2010 Medicare Part B premiums. The passage of H.R. 3631, the Medicare Premium Fairness Act, comes at a time when so many seniors are burdened by rising premiums. These hikes directly threaten the pocketbooks of 4 million new enrollees and retirees, as well as state budgets, which cover premiums for 7 million low-income seniors.

"There is no reason this burden should fall on seniors and people with disabilities, especially during difficult economic times," said Congressman Hall. "When you're talking about seniors and people with disabilities not being able to access affordable health care, it's not a political matter, it's a matter of life and death. The Medicare Premium Fairness Act will provide our seniors with greater access to preventive care at an affordable price."

Currently, 42 million seniors and people with disabilities are enrolled in Medicare Part B. The standard Part B premium for 2009 is \$96.40 per month. By law, the premium is calculated each year to cover approximately 25 percent of the cost of the Medicare program.

Premiums would normally increase to roughly \$103 next year to cover 25 percent of the program's cost. However, a current law "hold harmless" policy ensures that most seniors do not see a decrease in their Social Security checks if the Part B premium increase is projected to be greater than the increase in Social Security. Because of the recession, next year's Social Security cost-of-living adjustment is likely to be zero and checks will not increase; the current law "hold harmless" means that Part B premiums will not increase for 2010 for 73 percent of enrollees.

The other 27 percent of enrollees are not held harmless under current law. These include higher-income Medicare beneficiaries (5%, or 2.1 million beneficiaries), new Medicare enrollees (3% or 1.3 million beneficiaries), enrollees whose Medicare premiums are not deducted from their Social Security checks (2%, or 850,000 beneficiaries), and low-income individuals who are eligible for Medicare and Medicaid (18%, or 7.3 million beneficiaries). Because of the way the law is written, premiums for the enrollees who are not currently held harmless would be disproportionately increased to \$110-\$120 per month, unless Congress acts. This is the first time that such an interaction has occurred. The Medicare Premium Fairness Act prevents this unfair increase by extending the current hold harmless policy to all Medicare enrollees, meaning that no seniors will see a decrease in their Social Security checks due to Medicare Part B premiums. The legislation passed the House of Representatives today by a vote of 406 to 18 and has earned the support of AARP, the National Committee to Preserve Social Security and Medicare, the Center for Medicare Advocacy, Alliance for Retired Americans, and the National Active and Retired Federal Employees Association.

Congressman Hall is also working to provide seniors with a Cost of Living Adjustment (COLA) for 2010 Social Security payments. Currently, Social Security recipients are not scheduled to receive any COLA next year, because Social Security COLAs are based on inflation, and inflation did not increase in 2009. Although inflation has not increased, health care costs have increased dramatically. In addition, seniors largely live off investment income, and many seniors have seen these investments plummet sharply as a result of the recession. This is the

first year without a COLA increase since 1975, when COLA adjustments first began.

Congressman Hall is co-sponsoring H.R. 3572, the COLA Assistance Act to change the COLA from 0 percent to 2.9 percent for 2010.

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